

Insurance Law
No. (20) of 2005

We, the Chairman of the Executive Committee of the Palestine Liberation Organization,

President of the Palestinian National Authority

Upon reviewing the Amended Basic Law of 2003 and amendments thereto, and

The Capital Market Authority Law No. (13) of 2004, and

The Draft Law submitted by the Council of Ministers, and

Based on approval of the Legislative Council in the session thereof held on October 5, 2005, and

In the name of the Palestinian Arab people,

Have promulgated the following law:

Chapter One

Definitions

Article (1)

The following words and expressions, mentioned in this Law, shall have the meanings assigned thereto hereunder; unless otherwise indicated by reference:

The Minister: The Minister of Finance.

The Authority: Palestine Capital Market Authority (PCMA).

The Board: Board of Directors of PCMA.

Insurance Directorate: The Insurance Directorate at the Authority.

The Director: Director of the Insurance Directorate.

Insurance business: The activity related to all types of insurance provided for in this Law; including reinsurance and the work of insurance agents, brokers and life insurance specialists (Actuaries) and any other activity related to insurance contracts and business.

Insurance contract: Any agreement or promise under which the insurer undertakes to pay the insured or nominated

beneficiary a sum of money, revenue, salary or any other consideration in case of an accident or should the risk stated in the contract materialize; in return for a premium or any other payment effected by the insured to the insurer.

- Reinsurance contract:** Any agreement or promise between the original insurance company (the assigning company) and another company or companies (reinsurers); under which the assigning company transfers all or part of the risks for which said company is liable towards others pursuant to an insurance contract originally entered thereby; in return for a certain amount said company pays to reinsurers known as the reinsurance premium. Under this contract reinsurers undertake to reimburse the assigning company for damages originally insured for others thereby.
- The insurer:** The insurance company or foreign insurance company' branch which is licenses to practice insurance business pursuant to the provisions of this Law.
- The insured:** The person who concludes the insurance contract with the insurer, or the beneficiary who initially acquires the rights arising from the insurance contract, or to whom said rights are legally transferred.
- License:** The permit to practice insurance businesses issued in accordance with the provisions of this Law.
- Local insurance company:** Any company established in Palestine and registered with the Companies Registrar for the purpose of practicing insurance business.
- Foreign insurance company:** Any company established outside Palestine and registered with the Companies Registrar for the purpose of practicing insurance business.
- Branch:** The company's branch which practices insurance business on behalf, and in the name, of the company under license conditions.
- The agent:** The person authorized to act as an insurance agent, including reinsurance agency, on behalf of the

company or a branch thereof by virtue of a written authorization from the company.

The broker: The person authorized to act as an insurance broker, including reinsurance brokerage, between the insurer and the insured; by virtue of a written authorization from the insured.

Appointed Insurance Specialist (Actuary): The person, known as the “actuary” who holds an insurance specialist certificate from an institution recognized by the Authority, and is licensed to practice assessment of insurance contracts and relevant documents and accounts; assigned by the company to undertake said duty.

Unexpired Risks reserve: The amount allocated by the insurer at the end of the fiscal year to cover obligations that may arise upon the end of said year from insurance contracts issued prior to said date and are still effective.

Outstanding Claims Reserve: The amount allocated at the end of the fiscal year to cover obligations arising from outstanding claims submitted prior to the end of said year.

Solvency Margin: The excess of a company’s assets over liabilities; thus enabling said company to meet obligations thereof in full and pay due claims immediately without leading to said company’s insolvency or bankruptcy . Solvency margin is calculated in accordance with the policies set by the Authority’s Board of Directors and instruction of the Director of the Insurance Directorate in line with internationally established standards.

Solvency certificate: The certificate issued to a company by the Insurance Directorate certifying that said company is in compliance with the solvency margin provided for in this Law and regulations and instructions issued pursuant thereto.

Minimum cover amount: An amount equal to not less than one third of the required solvency margin; set by instructions issued by the Insurance Directorate.

Insurance Fund: Total assets held by a company to secure insurance activities other than shareholders’ equity.

Auditor:	An auditor who is legally licensed to operate in Palestine and is approved by the Insurance Directorate.
Motor vehicle:	A self propelled vehicle of any type, as well as vehicles towed or supported by other licensed vehicles; excluding wheelchairs.
Vehicle license:	The official permit issued by the licensing authority allowing driving a vehicle on roads for a specific period of time.
Driving license:	The official permit issued by the licensing authority entitling holder thereof to drive a certain type, or types, of vehicles.
Heavy vehicle:	Any vehicle the gross weight of which exceeds four thousand kilograms; excluding commercial vehicles licensed to carry seven persons or more.
Light vehicle:	Any private, public or commercial vehicle the gross weight of which does not exceed four thousand kilograms.
Use of vehicle:	Travelling in a vehicle; including driving, boarding, unboarding, pushing, towing or repair thereof on the road by the driver thereof or any other person outside the business thereof, as well as rolling, falling thereof or separation or falling of any part of said vehicle or cargo thereof while travelling; excluding: <ol style="list-style-type: none"> 1. Loading, unloading or sale of goods or items from a parked vehicle. 2. Vehicles transformed to an engineering equipment in work locations, or vending outlets.
Road accident:	Any accident resulting in bodily harm to a person due to use of a motor vehicle; including accidents caused by explosion or burning of a vehicle or part thereof or any item required for use thereof, as well as accidents caused by the use of a vehicle machine power for purposes other than those for which a vehicle is designed, and any accident caused by a willful act.
The injured:	Any person sustaining a bodily harm as a result of a road accident; including heirs to a deceased person.

Dependants: A person's spouse, parents and children under the age of eighteen unless a student or disabled subject to verification.

The Fund: The Palestinian Road Accidents Victims Compensation Fund (PRAVCF).

Chapter Two

Scope of Application

Article (2)

Provisions of this Law shall apply to all insurance business, as well as all insurance companies and licensed agents, brokers, specialists and actuaries; including persons involved in insurance business and relevant matters.

Article (3)

1. Insurance business shall include the following divisions:
 - a. Life insurance.
 - b. Health insurance.
 - c. Money insurance (savings).
 - d. Fire and associated hazards insurance.
 - e. Transportation and associated liabilities insurance.
 - f. Accidents and civil liability insurance.
 - g. Marine hull and associated liabilities insurance.
 - h. Aviation hull and associated liabilities insurance.
 - i. Motor and associated liabilities insurance.
 - j. Occupational hazards insurance.
 - k. Other types of insurance.
2. The Council of Ministers shall issue the necessary regulations to address other branches of insurance; such as theft, personal accidents, breach of trust, engineering any other type of insurance not provided for in this article and deemed by the Council of Ministers, in coordination with the Authority, in need for regulation..

Chapter Three

Duties and Jurisdictions of the Authority

Article (4)

The Palestine Capital Market Authority shall regulate the insurance business provided for in this Law as follows:

1. To oversee and monitor implementation of the provisions of this Law and any other laws, regulations or instructions related to the insurance business; and implement all necessary measures, decisions and instructions therefor.
2. To draft detailed policies for the insurance sector improvement and development and prepare the necessary implementing regulations and implement all necessary measures and decisions therefor within the jurisdiction set therefor in this Law; in cooperation, and upon consultation, with competent authorities.
3. To take any necessary action to provide the appropriate climate for the insurance sector to develop and progress in a way that benefits economic activity in Palestine; in cooperation and coordination with relevant parties.
4. To protect the rights of the insured and those benefiting from insurance services, improve such services and achieve complete competitiveness between insurers in such way that ensures protection of rights and interests thereof by implementing law, regulations, instructions and the general policy for development of the insurance sector.

Article (5)

Pursuant to the provisions of the Capital Market Authority Law and based upon the Board's decision, the Authority shall undertake the following:

1. To prepare regulations providing for conditions and fees of granting licenses to insurance companies to practice insurance business, and the required documents, information and data therefor; subject to the provisions of Chapter Seven of this Law.
2. To prepare regulations imposing fees for services provided by the Authority to companies, agents and brokers.

3. To establish the bases for calculating insurance obligations and technical reserves corresponding thereto, and determine the method of valuation of company's assets and the nature and distribution of the assets corresponding to insurance obligations.
4. To develop instructions determining the solvency margin, minimum cover amount and methods of calculation thereof, and approve the forms, conditions and procedures for issuing solvency certificates.
5. To develop instructions for the criteria used to allow companies to practice reinsurance.
6. To prepare studies, researches, draft laws, regulations and procedures for regulation of the insurance sector and achievement of supervision and control; including, but not limited to, draft regulations in the following areas:
 - a. Methods of calculating technical and accounting reserves representing the company's liabilities.
 - b. Methods of valuation of company's assets.
 - c. Distribution of company's assets representing insurance liabilities thereof and determining locations thereof and liabilities corresponding thereto.
 - d. Methods of calculating company's liabilities.
 - e. Reinsurance arrangement including relevant information companies shall provide.
 - f. Determining license fees payable by companies and insurance agents and brokers.
 - g. Determining price levels or tariffs for any type of insurance should this be deemed appropriate and necessary by the Authority.
7. To issue and prepare annual publications and statistics on the insurance sector, and media programmes to educate businessmen and those benefiting from insurance services on the importance of such service⁴ and the positive impact thereof on development of commerce, industry and national economy in general.
8. To issue an annual report on the Authority's activities and achievements and developments in the insurance sector; including the Authority's future plans for said sector.
9. To prepare draft decisions and instructions in the following areas and submit the same to the Board for approval and issuance:
 - a. Procedures, requirements and forms necessary to issue solvency certificates.
 - b. Prevention or restriction of investment of funds realized from any category of insurance.
 - c. Ratio of surplus distributed to the insured where applicable.

- d. The value of assurances insurance agents and brokers are required to provide.
 - e. Methods of keeping books, records and documents of company's and insurance agents and brokers; and details required to be stated therein.
 - f. Statements and documents which shall be submitted to the Board on company's activities; and requiring ratification thereof by professionals and members of the Board of Directors or anyone designated by instructions issued by the Board.
 - g. Publication of data and information provided for in reports and records as may be determined by the Board, and dissemination of the same to competent government agencies and those involved in the insurance business.
10. To determine the bases for distribution of surplus allocated to insurance contracts holders where applicable.
 11. To draft instructions stating the bases to be implemented for keeping accounting books, records and document for companies, agents and brokers, and specify data and details required to be stated therein.
 12. To publish data and information provided for in the company's books and records as recommended by the Board and send the same to relevant official authorities and any other parties involved in the insurance business.
 13. To draft instructions compelling companies to provide the following information:
 - a. Data and information contained in the company's books , records and documents, and any other information related to company's operations; including data on insurance contracts issued thereby, types thereof, reinsurance and said company's income and expenses, in addition to any other information on activities of company jointly owned by the relevant insurance company or related thereto in any form whatsoever.
 - b. Information on the company's management, general manager, department managers, technical staff and auditors, as well as information on any proposed amendments to said positions.

Article (6)

The Authority may, upon decision of the Board, exercise the following powers:

1. To prevent or restrict company's investment in certain areas.
2. To draft conditions for granting licenses to insurance agents, brokers and specialists, including life insurance specialists (actuaries), and determine required qualifications and expertise thereof.

3. To issue directives compelling companies, agents and brokers to comply with the provisions of the Law, regulations and instructions; subject to penalties provided for in this Law.
4. To appoint a specialist of life, or any other type of, insurance or a certified auditor to audit company's businesses, assess the position thereof and submit a report thereon. The company shall bear audit charges and insurance specialist's fees as determined by the Authority; which may publish said report or a summary thereof by whatever means it deems appropriate.
5. To disapprove appointment of the company's general manager or any key employees, or the approved insurance agent or auditor thereof by reason of lack of necessary qualifications or expertise.
6. To prepare regulations or bylaws compelling companies operating in Palestine to reinsure with local reinsurance companies and setting applicable bases and reinsurance ratios.
7. To prepare regulations or bylaws imposing statutory insurance against certain risks, and determine conditions, general provisions and limits of liability therein.
8. To draft professional codes of conduct to be observed by all companies, agents and brokers when drafting insurance contracts' conditions and dealing with the insured.

Article (7)

The Authority shall set up a commission to supervise and control insurance comprising members from within and outside the Authority, including a representative of the Insurance Federation, and shall delegate powers to said committee as may be deemed appropriate thereby.

Insurance Directorate

Article (8)

1. For the purpose of achieving the Authority's objectives regulating and controlling the insurance business and protecting the rights and interests of the insured, the Insurance Directorate shall, pursuant to Capital Market

- Authority Law and this Law, assume the necessary powers and responsibilities to carry out the duties assigned thereto.
2. Records shall be maintained at the Insurance Directorate and kept accessible to the public. Said records shall include:
 - a. A general record containing names, addresses and basic and financial information on companies operating in Palestine, as well as agents, brokers and insurance specialists licensed by the Authority.
 - b. A separate record for every company containing audited annual accounts and annual reports thereof, as well as detailed information and data thereon; including insurance premiums, compensations, claims, returns from contracts; investment and deposits and technical reserves maintained by said company, and any other information or events necessary for the protection of the insured.
 - c. A separate record for every insurance agent, broker or specialist containing information and events related thereto as specified in instructions issued by the Insurance Directorate.

Insurance Director

Article (9)

The Insurance Directorate shall be headed by a Director who shall have the following powers:

1. To instruct the administrative body at the Authority to conduct investigations in order to obtain the information needed to control and supervise the information business and ensure implementation of laws, regulations, instructions and directives.
2. The Insurance Director, or anyone assigned thereby, may; at any time; examine all transactions, records and documents of companies, agents and brokers.
3. For the purpose of verifying compliance with the provisions of this Law by companies, agents and brokers; the Insurance Director may require companies, agents and brokers, or those applying for licenses, to provide the following:
 - a. Accounts and books of the company and books of insurance agents and brokers as provided for in the Law, and any other information on the financial positions of the company, agents and brokers and any company affiliated therewith or related thereto; including information

obtained from actuarial examinations , and the Director may require ratification of said information or a certificate of authenticity thereof issued by any party specified thereby.

- b. General and special conditions and premium rates related to certain types of insurance contracts, and the Director may require said information prior to conclusion of any insurance contract.
 - c. Any other information related to the subject matter of an investigation.
4. Should the Insurance Director have information or reasonable cause to believe that a company did not pay, or may default payment of liabilities thereof ; or may not be able to maintain the solvency margin set in the Law, said Director may, as may upon referring the matter to the Board and receiving instructions therefrom, request that the company take one or more op of the following actions which may be either permanent or temporary, as may be deemed appropriate said the Director:
- a. To completely refrain from undertaking any new insurance businesses, or practicing a certain type or category thereof.
 - b. To set a specific limit to the relevant company's income from premiums.
 - c. To refrain from investment in any type or category of investment.
 - d. To wind up a certain type or category of investment within a specific period of time.
 - e. To maintain assets in Palestine for a value equal to all or a certain amount of liabilities arising from business carried out in Palestine.
 - f. To take any other actions in accordance with specific instructions of the Board.
5. To take any of the actions provided for in paragraph (4) of this article in the following cases:
- a. Should a company fail to implement any article of this Law or regulations and instructions issued pursuant thereto.
 - b. Should the Insurance Director believe that measures necessary for companies to reinsure risks assumed thereby are inadequate, or that a company did not implement said measures.
 - c. Should a company commit a serious violation of the work presentation or program submitted to the Insurance Director; based on which said company was licensed.
6. To require that the company's auditor provide information deemed necessary by the Insurance Director to monitor and review said company's business; within the period specified by said Director. Should the company's head office be located outside Palestine, said information shall be limited to insurance business conducted in Palestine.

7. To require a company to provide, within a period not exceeding thirty days, information on commissions paid by said company to insurance agents and brokers. Should information provided by said company or any other party prove that commissions paid to agents and brokers exceed reasonable amounts, the Insurance Director may send a written notice to said company requiring reduction of commissions paid with respect to all or certain types of insurance; within a specific period of time not exceeding two months as of the date of said requisition.
8. The Insurance Director may, upon decision of the Board, set instructions to prevent payment of in kind commissions to agents and brokers, or payment of said commissions in the form of loans prior to receipt of the relevant premiums by companies or agents.
9. For the purpose of the investigation provided for in this Law, the Insurance Director, or representative thereof, may:
 - a. Enter a company's or any other offices suspected of containing documents or records related to insurance contracts, share certificates or any other document related to insurance business; provided that such entry takes place during the relevant company's working hours.
 - b. Require any employee of the company or any other party affiliated with, or related to, the insurance company to provide books, documents and records held thereby containing the required information.

Article (10)

1. An auditor shall, within no more than three days, submit a report to the Insurance Director in the following cases:
 - a. Should said auditor believe that the company's financial status may adversely affect said company's ability to fulfill the obligations thereof towards the insured or to meet the financial requirements provided for in this Law or instruction and directives issued pursuant thereto.
 - b. Should said auditor believe that there is a serious fault in the financial and control systems or the accounting records of the company.
 - c. Should said auditor have reservations on any certificate relating to the company's financial statements and income and is required to submit the same under the Companies Law or this Law.
 - d. Should said auditor decide to resign or decline reappointment at said company.
2. The auditor shall provide the company with a copy of the report provided for in paragraph (1) of this article on the same date of submission thereof to the Insurance Director.

Chapter Four

Article (11)

Every legitimate economic interest a person may achieve from nonoccurrence of a certain risk shall be subject to insurance.

Article (12)

Any of the following conditions shall be deemed invalid if provided for in an insurance contract:

1. A condition providing for forfeiture of the right to insurance due to violation of law unless said violation involves a willful offence.
2. A condition providing for forfeiture of the right of the insured due to delay in reporting an insured accident to the relevant parties or submitting documents; unless such delay is justified.
3. Any printed condition that is not clearly visible and is related to a case which leads to invalidity or forfeiture.
4. The arbitration clause if provided for in the policy among printed general provisions thereof rather than in a special agreement separate therefrom.
5. Any other arbitrary condition violation of which does not affect occurrence of an insured accident.

Article (13)

1. It may be agreed upon to exempt the insured from cover should the beneficiary admit liability thereof or pay cover to the aggrieved party without the consent of the insurer.
2. It may not be agreed upon to exempt the insured from cover should approval of the beneficiary be limited to a material event or payment of cover prove to be in favor of the insured.

Article (14)

Should the insurer pay compensation for damage, said insurer may subrogate the insured in lawsuits filed by said insured against the party responsible for the damage which gave rise to the insurers liability for cover paid thereby; unless said unintentional damage is caused by ascendants, descendants or spouse of the insured or any person under the custody thereof.

Chapter Five

Obligations of the Insured and Insurer

Obligations of the Insured

Article (15)

The insured shall undertake to:

1. Pay the agreed upon amounts in times set in the contract.
2. State, at the time of concluding the contract, all information required by the insurer in order to assess risks assumed thereby.
3. Notify the insurer, thought the duration of the contract, of matters increasing said risks.

Article (16)

1. Should the insured withhold any fact in bad faith or provide untrue statements in such way that undermines the significance of an insured risk or changes the subject matter thereof, or fails fraudulently to fulfill undertakings thereof, the insurer may demand that the contract be revoked, and may claim outstanding premiums prior to such demand.
2. In the absence of fraud or bad faith, the insurer shall; when demanding revocation of the contract; reimburse the insured for premiums paid thereby or the proportion of said premiums for which no risk was assumed by said insurer.

Obligations of the Insurer

Article (17)

The insurer shall undertake to compensate the insured for damages resulting from insured risks in accordance with provisions pertaining to each type of insurance.

Article (18)

The insurer shall pay the cover or due amount to the insured or beneficiary as agreed upon occurrence of risk or maturity of the contract.

Article (19)

The insurer's obligation with respect to civil liability shall not produce the effect thereof unless the aggrieved party recurses to the beneficiary after occurrence of the accident which gave rise to said liability.

Article (20)

The insurer may not pay the agreed upon compensation, or part thereof, to anyone other than the aggrieved party so long as said aggrieved party is not compensated by the damage sustained thereby.

Article (21)

1. Obligations arising from an insurance contract shall lapse by prescription five years after the occurrence of events giving raise thereto without initiating the relevant claims.
2. Nonetheless, the period stated in the previous paragraph shall not apply in the following cases:
 - a. Should the insured conceal data related to the insured risk or provide untrue or inaccurate data; excluding the date said insured becomes aware thereof.
 - b. In case of an insured accident; excluding the date stakeholders become aware thereof.

Chapter Six

Special Provisions for Certain Type of Insurance

Article (2)

Any agreement to the contrary of the provisions of this Chapter shall be deemed invalid unless said agreement is in favor of the insured or beneficiary.

Mutual Cooperative Insurance

Article (23)

1. It shall be permissible for several persons to undertake mutual cooperative insurance business by participating with cash shares to compensate anyone thereof for damage inflicted on self, property or civil liability. Should the capital not suffice to compensate for said damage' participants shall, each as per the share thereof, pay the necessary amount to indemnify the damage.
2. Every member of this system shall be deemed cooperatively insured.
3. It may be agreed upon to invest said funds and returns from said investment shall be distributed to members as agreed.

Fire Insurance

Article (24)

The insurer in fire insurance shall be liable to all damages resulting directly from fire, the start of a fire that have the potential of developing into complete fire or the threat of a probable fire.

The insurer's liability covers inevitable damages caused by fire; particularly damages affecting insured items as a result of implementing rescue measures or measures for preventing fire from spreading.

Article (25)

1. The insurer shall be liable for damages of fire caused by unintentional errors of the insured or beneficiary.
2. The insurer shall not be liable for damages intentionally fraudulently caused by the insured or beneficiary; even if otherwise agreed upon.

Article (26)

The insurer shall be liable for damages of fire caused by subordinates of the insured regardless of type and extent of error committed thereby.

Article (27)

The insurer shall be reliable for damages caused by fire even if said fire was a result of a fault in the insured item.

Article (28)

1. Anyone who insures an item or interest with more than one insurer shall notify every one of said insurers of other insurances and the value thereof, as well as the names of said other insurers.
2. The values of insurance, in case of multiple insurers, shall not exceed the value of the insured item or value.

Article (29)

Should an item or insurer be insured with more than one insurer for amounts the total of which exceeds the value thereof, each insurer shall be bound to pay an amount equal to the proportion of the value of the insured item or interest to the total sum insured provided that the total amount paid to said insured does not exceed the value of damage sustained thereby due to fire.

Article (30)

Fire insurance effected on overall movable property of the insured which exist at the time of fire in places occupied thereby shall extend to property of family members and servants thereof who reside therewith.

Article (31)

1. Should the insured item be burdened with a mortgage, guarantee or any other in kind security such rights shall e transferred to the cover due to the insured under the insurance contract.
2. Should said rights be registered or the insured be notified thereof, said insured may not by amounts payable thereby to the insurer without the consent of said creditors.
3. Should an insured item by subject to attachment or receivership, the insurer may not, if so is declared, pay the insured any amounts payable thereby.

Life Insurance

Article (32)

The insurer shall, in life insurance, undertake to pay the insured or beneficiary, upon occurrence of an insured accident or maturity of the policy, the amounts agreed upon in the contract; with the need to prove damages sustained by said insured or beneficiary.

Article (33)

1. Effectiveness of a third party life insurance contract shall be subject to the written consent of said third party prior to conclusion of said contract. Should said third party not be legally eligible, effectiveness of said contract shall be subject to the consent of the legal representative thereof.
2. Said consent shall be required for subrogation of the right to benefit from insurance, or pledge thereof, to be deemed valid.

Article (34)

1. The insurer shall be relieved from the obligation to pay the sum insured should the insured commit suicide. Nonetheless, the insurer shall undertake to pay the subrogees an amount equal to the insurance reserve.
2. Should suicide be motivated by an illness undermining the patient's will, the insurer shall remain fully liable. The insurer shall bear the burden of proving that death of the insured was caused by suicide and the relevant beneficiary shall bear the burden to prove that said insured was devoid of will at the time of suicide.

Article (35)

1. In case of third party life insurance, the insured shall be relieved from obligations thereof if death of said person was caused by deliberate action of the insured or agreed upon, solicited or assisted thereby.
2. Should the beneficiary of life insurance be a person other than the insured, said person shall not benefit from insurance if death of the insured was caused by a deliberate action of said person or agreed upon, solicited or assisted thereby. Should the role of said person be limited to attempting to cause death, the insurer may substitute said beneficiary by another person even if said beneficiary consents to insurance stipulated to the benefit thereof.

Article (36)

1. It may be agreed in life insurance to pay the sum insured to any person(s) named, or to be named, by the insured.
2. Insurance shall be deemed concluded to the benefit of named beneficiaries if the insured states in the relevant policy that insurance is concluded to the benefit of spouse, born or unborn children or descendants or heirs of the insured; without naming the same. Should insurance be to the benefit of heirs, said heirs shall be entitled to the sum insured each as per the share thereof in inheritance. Said right shall be established to said heirs relinquish said inheritance.

Article (37)

The insured who undertakes to pay periodic premiums may, at any time, withdraw from the relevant contract upon notifying the insurer in writing of the desire to do so, and shall be relieved from payment of future premiums,

Article (38)

1. Errors in details or age of the person subject to life insurance shall not render insurance invalid unless the real age of the insured exceed the limit stipulated in insurance bylaws.
2. Should errors in details cause the agreed upon premium to be less than the payable amount, the sum insured shall be reduced by an amount equal to the proportion of the agreed upon premium to the payable amount based on real age of the insured.
3. Should the agreed upon premium be greater than the amount payable based on the real age of the insured, the insurer shall reimburse the extra amount received thereby and reduce subsequent premiums in proportion to the real age of the insured.

Article (39)

The insurer who pays the sum insured, in life insurance, may not subrogate the insured or beneficiary with respect to rights thereof before the party who causes, or is responsible for, the insured accident.

Article (40)

Amounts agreed to be paid upon death of the insured shall not be deemed part of the inheritance thereof and creditors shall not have any right therein, but may recover premiums paid by said insured if said premiums are not proportionate to the financial status thereof.

Article (41)

1. In whole life assurance contracts that do not require the insured to remain alive for a certain period of time, and in all contracts that require the lapse of a certain number of years in order to pay the relevant compensation, the insured may; upon payment of not less than three annual premiums;

- substitute the original policy by a paid-up one in return for reduction of the compensation; unless otherwise agreed upon.
2. Temporary life insurance shall not be subject to reduction.

Liability Insurance

Article (42)

The insurer shall bear losses and damages caused by persons the insured bears civil responsibility for regardless of the nature and severity of errors committed thereby. The insurer shall also bear losses and damages caused by items and animals held by the insured.

Article (43)

Should the insured cause damage to a third party, the insurer shall not be liable to compensation unless said third party applies to the insured for conciliation or initiates legal action thereagainst.

Article (44)

The insurer shall cover litigation expenses arising from all litigation actions initiated against the insured on ground of liability.

Article (45)

The aggrieved party may recourse directly to the insured within the limits of damage sustained thereby and the sum insured specified in the contract.

Chapter Seven

Insurance and Reinsurance Companies

Composition of Companies

Article (46)

1. No one may practice insurance business unless a Palestinian public shareholding company legally registered in Palestine and licensed in accordance with this Law and regulations and instructions issued pursuant thereto, or a foreign company registered and licensed to operate in Palestine under this Law and regulations and instructions issued pursuant thereto. Any insurance contract or agreement concluded by an insurer who that does not meet the condition stipulated in this article shall be deemed invalid.
2. All shares shall be nominal and not less than (51%) thereof shall, at all times, be owned by Palestinians.
3. Insurance contracts for all types of insurance shall be executed in Arabic. Nonetheless an accurate translation in another language may be attached thereto, and in case of multiple constructions of contracts the Arabic text shall prevail.

Article (47)

Without prejudice to the provisions of this Law, provisions of Companies Law shall apply to insurance and reinsurance companies.

Registration of Companies

Article (48)

1. The Authority shall draft bylaws stating incorporation procedures and requirements that founders shall meet.
2. A company may not commence operations unless registered in the register prepared therefor. Nor may a company practice any branch of insurance other than those said company is registered under.
3. Any insurance contract concluded contrary to the provisions of the two previous paragraphs shall be deemed invalid. Such invalidity shall not be used against the insured or those benefiting from contracts issued by a company unless bad faith thereof is established.

Article (49)

1. A company shall notify the Authority of any amendment or change to data provided in the incorporation application, articles of association, practice license or contracts thereof or documents attached thereto.
2. Should the amendment or change provided for in the previous paragraph involve insurance activities or privileges, restrictions or conditions stipulated in insurance contracts, the relevant company shall, if practicing life insurance or fund creation (saving), attach to said notice a certificate issued by an actuary registered with the Authority stating that rates, privileges, restrictions and conditions are valid and executable.
3. Said amendments or changes may not come into effect unless approved by the Authority. The lapse of thirty days as of the date of notifying the Authority of said amendments or changes without the Authority deciding thereon shall be deemed approval thereof.
4. Approved amendments shall be published in the Palestinian Official Gazette at the relevant company's expense.

Insurance License

Article (50)

1. Mere registration of a company shall not be deemed a license to practice insurance.
2. A company wishing to practice insurance in Palestine shall obtain a license therefor upon payment of due fees.
3. The Authority shall draft bylaws stating the necessary licensing procedures and document

Article (51)

1. The Director shall, upon submission of the required licensing documents, submit a report to the Authority; within a period not exceeding thirty days; stating the opinion thereof on fulfillment of licensing conditions and types of insurance said Director believes the relevant company should practice. The Authority may refuse an application by a justified decision; provided that said decision is, in either case, issued within thirty days as of the date the Authority receives the Director's relevant report.

2. Should the Authority approve granting a license, the Director shall prepare the relevant license certificate and publish the contents thereof in the Palestinian Official Gazette upon payment of due fees.

Article (52)

1. A license shall be valid for one year starting from the date it is granted until the end of the relevant calendar year and, with respect to fees, a fraction of a year shall be deemed a full year. A licenses shall be renewed annually upon request submitted by the relevant company to the Director not less than thirty days prior to the beginning of every calendar year, and said Director shall prepare a license renewal certificate upon payment of due fees.
2. Should a company fail to apply for license renewal within the period provided for in paragraph (1) of this article, said company may not issue new policies after the lapse of said period; in which case said company shall be deemed out of business and shall be given a ninety days notice to apply for renewal. Should said company fail to apply for renewal, the Authority shall issue, upon recommendation by the Director, a decision revoking the relevant license.
3. A license shall be renewed upon applying therefor by the relevant company during the legal period set in this article.

Article (53)

A company shall state on official papers issued thereby that said company is licensed to practice insurance or reinsurance, as well as number and date of registration in the companies register at the Commission.

Suspension of Insurance Licenses

Article (54)

The Authority may, upon recommendation by the Director, suspend licenses for one or more types of insurance for a period not exceeding one year in any of the following cases:

1. Should a company violate the provisions of this Law, bylaws or decisions issued pursuant thereto or any insurance-related law.
2. Should an insurer abstain from implementing a legally enforceable provision.
3. Should a company's financial positions be affected by changes requiring increasing the deposit due to decline in the value thereof, and the company abstain from completing the shortage within the period set by the Authority.
4. Should a company incur, in any year, losses exceeding half the capital thereof and be unable to reduce said loss during the following fiscal year.

Article (55)

Should a license be suspended, the Director shall notify the relevant company of said decision which shall be justified and indicate the period and starting date of said suspension.

Article (56)

1. A company the license of which is suspended may not issue new policies for suspended types.
2. All rights and obligations pertaining to policies issued prior to suspension shall remain effective as if the relevant company is still practicing insurance.

Article (57)

A company the license of which is suspended may apply to the Authority through the Director for restating said license; provided that the relevant

application is supported by documents proving that the reason for which said license was suspended no longer exists, and the Authority may either approve or refuse said application by a justified decision.

Article (58)

Should a company fail to remedy the reason for which said company's license for any type of insurance was suspended pursuant to the provisions of article 983) of this Law within the period set by the Authority, said company's license for said type of insurance shall be revoked by decision of the Authority.

Chapter Eight

Funds and Obligations of Insurance Companies

Article (59)

Insurance companies shall reinsure insurance activities conducted in Palestine with reinsurance companies approved by the Authority based on proportions the values and effective dates thereof shall be set by decision of the Authority.

Article (60)

Companies may not operate based on correlation between premiums paid by policy holders (in whole or part) and number of policies due on a certain date.

Dividends distributed to holders of policies issued by life insurance and fund creation (saving) companies shall be excluded from the surplus set by the actuary upon conducting the examination provided for in article (82).

Article (61)

1. Any company practicing life insurance and fund creation (saving) shall allocate, in Palestine, funds equal in value to not less than the accounting liability towards policy holders and beneficiaries; for activities conducted by said companies in Palestine; provided that the value of said funds

does is not less than fifty thousand Jordanian Dinars or the equivalent thereto in the legal currency of the country.

2. Said funds shall be completely separated from funds relating to other insurance activities.
3. No one other than the insured and beneficiaries from life insurance and fund creation (saving) policies may attach said funds.

Article (62)

1. Every company performing insurance activities other than those provided for in article (61) shall, prior to commencement of operations thereof, provide the Authority with a deposit set by the Authority to meet companies' obligations. Foreign companies shall provide double the deposits provided by Palestinian companies.
2. The Authority shall determine the value of the deposit provided for in the previous paragraph.

Article (63)

The deposit provided for in article (62) of this Law shall comprise the following:

1. Minimum (25%) in cash to be deposited with a bank in the relevant company's name to the order of the Authority which may increase said percentage if deemed appropriate thereby.
2. The remainder of said deposit shall be in the form of shares and bonds in Palestinian shareholding companies or bonds issued by the Government of Palestine, municipalities or public official institutions. Said shares and bonds shall be marked under lien in favor of the Authority, and shall be accepted as deposit based on the nominal or market values thereof; whichever is less.
3. Notwithstanding any other provision of any other legislation, the Authority may specify approved banks in Palestine where deposits shall be made.

Article (64)

The Authority may, upon request by the relevant company, approve substitution of any type of non-cash deposits with another type thereof; provided that the value of the new deposit is not less than the value of the original one.

Article (65)

A bank may only dispose of a deposit held thereby, or any part thereof, by virtue of a final ruling by a competent Palestinian court, or a written permission by the Authority; provided that said bank publishes an announcement thereof in two local daily newspapers at least twice, not less than sixty days prior to delivery or disposal of said deposit.

Article (66)

1. Beneficiaries from policies concluded and executed by companies in Palestine shall have privilege over the funds provided for in articles (63, 64 and 65) of this Law.
2. The privilege provided for in the Civil Law shall be second in priority to this privilege.

Article (67)

Both the company and the bank holding the deposit shall notify the Authority of any decline in the value of said deposit not later than seven days as of the date on which said decline begins. The Director may, at any time, require said company and bank to provide information on said deposit deemed necessary by the Director; in which case said company and bank shall provide said information within the period set by the Director therefor.

Article (68)

1. Should a deposit decline beyond the limit set therefor under the provisions of this Law, for any reason whatsoever, the Authority shall require the relevant company to complete the values thereof.
2. A company shall complete the value of a deposit not later than sixty days as of the date of receiving the Authority's relevant request; subject to

suspension of said company's license in accordance with the provisions of this Law.

Article (69)

A company shall:

1. Maintain the solvency margin for all operations thereof in accordance with instructions issued by the Authority.
2. Maintain the minimum cover amount for all operations thereof.
3. Maintain the funds and reserves, in Palestine, as specified by the Authority.
4. Maintain, in every fiscal year, an outstanding claims reserve in accordance with instructions issued by the Authority.

Article (70)

Company staff shall be Palestinians. Nonetheless, a company may, upon approval by the Director, employ foreigners who are specialized in the insurance business.

Article (71)

1. Neither the chairman or members of the board of directors, general manager; or deputy or any one acting therefor; nor department or division managers of any insurance company operating in Palestine may receive commissions from insurance activities.
2. Neither the chairman or members of the board of directors nor the general manager of any insurance company may practice any business that competes with the business of said company or participate in management of any other similar or competing company.

Chapter Nine

Records and Accounts of Insurance and Reinsurance Companies

Article (72)

- a. A company shall keep the following records for every branch of insurance:
 1. Policy record: In which all policies concluded by said company shall be recorded; stating date of application, policy holders' addresses, date of concluding every policy, insurance term, sum insured and amendments and changes thereto.
 2. Compensation record: In which all claims submitted to said company shall be recorded; stating date of application, name of policy holder, the aggrieved party, the beneficiary and address thereof, policy number, the reserve set for the accident and date of payment of the relevant compensation, and date and reasons for refusal if applicable.
 3. Agents record: In which names and addresses of agents working for said company shall be recorded.
 4. Agreements record: Containing all agreements concluded by said company; stating names and addresses of agencies with whom said agreements are concluded, as well as dates and expiry dates thereof, any changes thereto and any other details deemed significant by said company with respect to said agreements.
 5. Allocated funds record: Marked by the Authority and stating utilized funds form funds required to be allocated in Palestine, and adjustments to formation thereof. Funds relating to life insurance, fund creation (saving) and other insurance activities shall be recorded separately.
- b. Reinsurance companies shall only keep the two records provided for in paragraphs (4) and (5) of this article.

Fiscal Years and Accounts of Companies

Article (73)

A company's fiscal year shall begin on the first of January of every calendar year and end on the thirty first of December thereof.

Article (74)

1. A company shall keep separate accounts for every branch of insurance.

2. The Authority may require a company to keep an account for one or more insurance activities under on branch of insurance.

Article (75)

1. A company shall annually provide the Authority, on dates set by the Authority, with the following data and accounts:
 - a. The balance sheet.
 - b. Profit and loss account.
 - c. Dividends appropriation account.
 - d. Income and expenditure account.
 - e. A summary of reinsurance agreements.
 - f. A statement of the company's funds required to be maintained in Palestine in accordance with the provisions of this Law; supported by documents required by the Authority, as well as a report on the company's activities in Palestine for said year.
2. Said data shall be prepared in accordance with forms specified by the Authority including all activities conducted by the company in Palestine and abroad separately.
3. Said data and information shall be signed by chairman of the board of directors and financial manager of the company. Data relating to life insurance and fund creation (saving) shall also be signed by the actuary.

Article (76)

1. A company's accounts shall be reviewed by an auditor selected by said company's general assembly from among auditors registered in the Authority's register.
2. A single auditor may not audit the accounts of more than one insurance company.
3. An auditor may not be an employee, manager or member of the board of directors of the relevant company.
4. A company shall put at the disposal of the relevant auditor all books, documents and data deemed necessary by said auditor to perform the duties thereof.

Article (77)

1. A company shall submit to the Authority an annual report prepared by the auditor thereof certifying that said company's balance sheet, profit and loss account, income and expenditure account, outstanding obligations and reserves and funds held in Palestine are all properly prepared and represent said company's financial position as presented in said company's books and other data put at the disposal of said auditor.
2. Should the company fail to complete deficiencies, correct errors or remedy violations detected by the auditor while conducting the relevant examination, within thirty days as of the date of being notified thereof, said auditor shall notify the Authority thereof.
3. Outstanding obligations with respect to life insurance and fund creation (saving) activities shall be assessed by the relevant company's actuary.

Article (78)

1. A company shall notify the Authority of the date, place and agenda of general meetings fifteen days in advance, and shall provide the Authority with a certified copy of every report submitted to shareholders or policy holders, as well as minutes of shareholders' general meetings within thirty days as of the date of holding the same.
2. General meetings shall be attended a representative of the Commission without having the right to vote.

Article (79)

The Authority may review a company's books and records in order to verify implementation of the provisions of this Law. Said review shall take place at the relevant company's headquarter and shall be conducted by inspectors of the Authority. The Authority may require a company to correct and complete any information, report or statement submitted thereto by said company.

Article (80)

A company may request the Authority to correct any information, report or statement submitted thereto, and the Commission may approve or refuse such request by justified decision.

Chapter Ten

Special Provision on Life Insurance and Fund Creation(saving) Activities

Article (81)

Companies practicing life insurance and fund creation (saving) activities may not discriminate policies of the same type in terms of insurance rates, dividends appropriated to policy holders or any other condition; unless such discrimination is due to life expectancies; excluding the following:

1. Reinsurance policies.
2. Life insurance policies under special conditions pertaining to members of a single family or a group of individuals sharing the same profession or business or any other social relationship.
3. Policies involving large sums insured or long terms which enjoy certain discounts approved by the Authority.

The Authority may license a company to issue discounted policies should so be deemed justified thereby.

Article (82)

1. Companies provided for in this Chapter shall examine the financial positions for said two types of insurance practiced thereby, and shall have the value of outstanding obligations for each type assessed by an actuary not less than once every three years. Said assessment shall include all activities conducted by said companies.
2. Said assessment shall be conducted whenever a company wishes to examine the financial position thereof in order to determine dividends to be appropriated to shareholders or policy holder.
3. The Authority may require said assessment to be conducted at any time prior to the lapse of said three years; provided that not less than one year lapses as of the date of the last examination.
4. The Authority shall issue instructions specifying data that the actuary's assessment shall contain.
5. The relevant company shall send a copy of said report to the Authority within thirty days as of the date of examination; along with a statement from said company's management certifying that data and information provided in said report are true.

Article (83)

Should the Authority find that said actuary's report does not represent the true financial position of the relevant company as a result of implementing incorrect bases of assessment, the Authority may decide to repeat the examination provided for in this Chapter at said company's expense.

Article (84)

1. Companies provided for in this Chapter may not deduct any part of funds corresponding to obligations arising from policies for appropriation to shareholders or policy holders as dividends or payment of any amount out of obligations thereof under policies issued thereby.
2. Dividends appropriation shall be limited to the amount of excess funds determined by the actuary in the report prepared thereby upon conducting the necessary examination.
3. In implementation to the provisions of this paragraph, a company's funds in Palestine and abroad shall be deemed one unit.

Article (85)

Companies provided for in this Chapter may not lend the management of employees thereof; whether by means of mortgage loans or personal security; unless a company has free funds from net profits thereof in excess of funds required to be maintained in accordance with the provisions of articles (63) and (64) of this Law.

Article (86)

Notwithstanding the provisions of article (85) above, a company may grant loans to policy holders including employees thereof; provided that such loans do not exceed policy surrender value.

Article (87)

Should any of the companies provided for in this Chapter become bankrupt or wound up, amounts due to holders of valid policies shall be assessed in proportion to their respective accounting reserves as of the date the judgment of bankruptcy or winding up is passed, calculated on the basis of technical rules for premium rates, policy conclusion and formation of technical reserve.

Chapter Eleven

Examination of Companies Activities

Article (88)

1. The Authority may examine a company's activities should the Authority have reasons to believe that rights of policy holders are threatened, that said company may become unable to fulfill the obligations thereof or is in violation of any provision of law.
2. Said examination may also be conducted upon request by a number of shareholders representing (10%) of life and fund creation (saving) policy holders the policies of which are not less than three years old.
3. The relevant company shall provide the Authority with any information, data or documents required thereby while conducting said examination.

Chapter Twelve

Foreign Insurance Companies

Article (89)

Foreign insurance companies may not practice insurance in Palestine without obtaining a license therefor. Foreign companies shall operate through branches thereof; provided that said branches are registered as companies in Palestine in accordance with the Law, and subject to reciprocity.

Article (90)

1. Foreign companies' branches shall be subject to the provisions of this Law.
2. A foreign company's branch shall have a duly authenticated power of attorney given by said company authorizing said branch to assume the following powers and rights:
 - a. The power to issue insurance contracts and annexes thereto; provided that the relevant company is responsible for contracts issued the branch thereof in Palestine.
 - b. The right to represent the company before courts and official and nonofficial parties in Palestine.
 - c. To receive warning letters and all notices and correspondences addressed to the company.
 - d. To provide the Authority with information on activities of said foreign company.
 - e. To pay compensations arising from insured risks pursuant to policies issued on behalf of said foreign company.
 - f. To keep separate accounting records and books for said company's activities in Palestine; including the final accounts thereof; in accordance with this law and bylaws and instructions issued pursuant thereto.

Article (91)

A foreign company's branch operating in Palestine may not include more than (5%) of total premiums realized annually from activities thereof in Palestine in expenses deductible from taxable income; in order to contribute to head office expenses including administrative and technical services provided thereby.

Article (92)

A foreign company's branch shall maintain the solvency margin and minimum cover amount with respect to all insurance businesses practiced thereby.

Chapter Thirteen

Policy Assignment, Business Interruption, Merger, Revocation of Licenses and Cancellation of Registration

Policy Assignment

Article (93)

Should a company decide to assign policies thereof along with rights and obligations arising therefrom, said company shall submit an application therefor to the Authority accompanied by the following documents:

1. A copy of the assignment contract signed by representatives of contracting parties.
2. Copies of reports underlying said contract. In case of assignment of obligations related to life insurance or fund creation (saving), a report prepared by an actuary licensed by the Authority shall be provided.
3. A statement of assets and liabilities of every company accompanied by a statement signed by the chairman of the board of directors of the relevant company certifying that items provided in statements are true.

The authority may require any other statements or notes necessary for the examination.

Article (94)

An assignment application shall be published in at least two local daily newspapers including the following details:

1. That the relevant company has applied to the Authority for assignment of policies thereof along with rights and obligations arising therefrom.
2. The name of the assignee company.
3. Invitation of policy holders, beneficiaries and all stakeholders to submit objections thereof to the Authority within thirty days as of the date of publishing the assignment application.
4. Any other details the Authority deems necessary to be explained to the public.

Article (95)

1. The Authority shall issue a decision approving said assignment should it prove not undermine the interests of policy holders, beneficiaries and creditors of the relevant company. Said decision shall be published in the Official Gazette and shall be used against policy holders, beneficiaries and creditors of said company.
2. The deposit of a company which assigns some or all of the policies thereof shall remain outstanding and retained to the order of the Authority for a period not exceeding ninety days as of the date of completing legal assignment procedures.
3. Subject to the provisions on title deed transfer, rights and obligations of the assigning company, with respect to assigned policies, shall be transferred to the assignee company.

Business Interruption

Article (96)

Should a company decide to stop activities in one or more branches of insurance and wish to free funds relating to said branches shall submit an application therefor to the Authority accompanied by the following documents:

1. Proof that said company is completely cleared form obligations arising from outstanding policies for the branch or branches to be stopped, or that said policies are assigned to another company as provided for in the first section of this Chapter.
2. Proof that said company has published and announcement in at least two local daily newspapers, in accordance with conditions set by the Authority, to be featured in each newspaper not less than three times in fifteen days intervals; stating said company's intention to apply to the Authority, three months as of the date of the last announcement, to free all or part of the funds thereof in Palestine. Said announcement shall include invitation of policy holders and other stakeholders to submit objections thereof to the Authority not later than the date of submitting said application.

Article (97)

The Authority shall decide to approve said company's request should no one object thereto within the period set in paragraph (2) of article (96); otherwise, said application shall only be determined upon reaching an agreement or issuance of a final ruling thereon. Nonetheless, the Authority may allow said company's funds to be freed upon retaining an amount equal to said company's obligations toward objectors including expenses required to retain any of the company's assets.

Merger of Insurance Companies

Article (98)

A company which decides to merge with other companies shall undertake the following:

1. Submit an application therefor to the Authority including reasons for merger and accompanied by the following:
 - a. Decision of the extraordinary general assembly approving said merger.
 - b. Report of the actuary or insurance specialist supporting said merger and stating that it does not undermine rights of policy holders.
 - c. Report of the auditor on the financial positions of relevant companies prior to merger along with a certified list of assets and liabilities thereof.
2. The Director shall submit the merger application, along with reports and attached statements, to the authority. Should the Authority approve said merger in principle, the Director shall set up a committee to value movable and immovable assets of each company wishing to merge, in actual value thereof, and determine the composition and powers of said committee to ensure that rights of shareholder, policy holders and beneficiaries are protected.
3. In addition to required procedures under the effective Companies Law.

Article (99)

1. Should the Authority approve said committee's report, merger shall be published in the Palestinian Official Gazette and two local daily newspapers for two consecutive days, and stakeholders may submit

- objections thereto to the Authority within thirty days as of the date of publication of the first announcement.
2. Merging companies shall allow the insured to view the relevant merger agreement to verify provisions thereof. Said agreement shall remain accessible at head offices of merging companies for one month as of the date of publishing the merger agreement.
 3. Should an objection not be approved within thirty days as of the date of submission thereof, the objector may appeal the merger decision before the competent court of first instance within fifteen days as of the date of being notified of refusal.
 4. Upon settlement of objections and completion of merger procedures, legal procedures for transfer of rights and obligations to the merged company shall commence. Licenses of merging companies shall be deemed void by law, and both the merging and merged companies shall be exempted from title deed transfer fees, taxes and all fees arising from merger.
 5. All rights and obligations of the merging company shall be transferred to the merged company in accordance with the provisions of the Law.

Revocation of Licenses and Cancellation of Registration

Article (100)

A company's license shall be revoked and record thereof in the register shall be cancelled in any of the following cases:

1. Should said license or record prove to be obtained unlawfully.
2. Should said company continuously violate provisions of this Law or implementing regulations or decisions thereof.
3. Should the Authority be satisfied that said company is unable to fulfill obligations thereof or is continuously and unlawfully neglecting payment of outstanding claims.
4. Should said company fail to complete the deficiency in paid in capital despite being requested to do so.
5. Should said company fail to maintain the funds that are required to be allocated in Palestine in accordance with the provisions of this Law, and fail to complete the same within one year despite being requested to do so.
6. Should said company abstain from submitting books and documents thereof for review or examination by the Authority.

7. Should said company stop practicing activities thereof in Palestine for one whole year.
8. Should said company be declared bankrupt by court judgment.

Article (101)

In addition to the provision of article (100), the Authority may revoke the license granted to a foreign insurance company's branch in one of the following cases:

1. Should said branch fail to realize total annual premiums equal to four times the value of the deposit thereof; with respect to activities in every type of insurance practiced thereby in Palestine.
2. Should said branch fail, for three consecutive years, to realize profits from activities thereof in Palestine not less than (7.5%) seven and half percent of total annual premiums; with respect to every type of insurance practiced thereby.

Article (102)

Should a company prove to have issued a decision of voluntary winding up thereof, a decision be issued by the competent court to wind up said company or be declared bankrupt, then license of said company shall be deemed void by law.

Article (103)

A decision of cancellation shall only be issued upon notification of the relevant company in writing; so that said company can present the defense thereof in writing within thirty days as of the date of notification.

Article (104)

Total or partial cancellation shall be effected by decision of the committee and shall be published in the Palestinian Official Gazette. Partial cancellation shall only affect activities provided for in the relevant decision.

Article (105)

A decision of cancelling a company's record shall result in preventing said company from practicing insurance branches provided for therein.

Article (106)

1. The Authority may, subject to conditions deemed appropriate thereby, allow a company to continue activities ongoing at the time of cancellation and license revocation; and may also decide to wind up said company.
2. Winding up shall be conducted in accordance with rules set by the Authority providing for fulfillment of said company's obligations under supervision of a committee assigned by the Authority.

Chapter Fourteen

Insurance Agents, Brokers, Actuaries and Investigators

Insurance Agents

Article (107)

No one may work as an insurance agent without meeting the following requirements:

1. To obtain a license from the Authority to practice insurance agency upon passing the test prepared by the Authority therefor.
2. To obtain a written assignment from the relevant company.
3. Letters and forms used for insurance agency business shall bear statements indicating said person's capacity as an insurance agent.
4. To identify themselves as insurance agents to anyone applying for an insurance policy and provide said applicant with the name of the company which they are acting as agents for.

Article (108)

Should an insurance agent undertake, by virtue of an agreement with a company, to work as an agent to solely said company and not to refer any insurance contract to any other company, said agent shall state on letters and documents used in the business thereof that they are agents to said company exclusively.

Article (109)

No company may appoint an agent therefor who does not meet the requirements provided for in clauses (b, c and d) of article (121) of this Law.

Article (110)

Insurance agents shall keep separate books for the following types of insurance:

1. A separate account for all premiums paid to the company for non-life insurance policies; including amounts paid and due to the insured. Said accounts shall, in all records kept by the agent, be called non-life insurance accounts.
2. A separate account for all premiums paid to companies for life insurance policies; including amounts paid and due to the insured. Said accounts shall, in all records kept by the agent, be called life insurance accounts.

Article (111)

An agent may not conclude an insurance policy between anyone and the insurer without a written agreement between said agent and the insurer providing for binding the agent to the following:

1. To deposit amounts collected from the insured in a separate account for the contracting company.
2. To transfer to the insurer, by the fifteenth day of every month, the amounts collected from the insured in the previous month.

Article (112)

1. All funds of the agent used in insurance activities shall be recorded in the proper accounting book; excluding commissions paid to said agent and amounts charged thereby for services related to policies.
2. No one may claim or receive any right thereof from an agent from any amount budgeted for any reason from said accounts; prior to settlement of all claims outstanding thereon.

Article (113)

The Authority may issue instructions compelling agents to provide guarantees to secure obligations thereof, and may compel said agents to provide policies under professional responsibility thereof; conditions, insured sum and limits of liability of which shall be determined by the Authority.

Article (114)

An insurance agent may not accept any amount of money for an insurance application unless said application is approved by the relevant company and said amount is accompanied by a complete insurance application. In case of renewal of policies, no amounts may be accepted from clients unless renewal is approved by the company.

Article (115)

Should an insurance agent accept a complete insurance proposal submitted by a client with the intention to conclude an insurance policy, or accept renewal of an insurance policy upon the request of a client, without being authorized by the relevant company to issue actual insurance policies, said agent shall provide said client with a provisional certificate valid for a period not exceeding one month; stating that said certificate is issued pursuant to this article and including the following details:

1. Name and address of the client.
2. The amount paid by the client and date of receipt thereof by the agent.

3. The insurance, policy renewal proposal, or the proposal approved by the relevant company with respect to the policy premium.
4. Name of the company with which the insurance policy is to be signed, or name of the company which approved the insurance proposal.
5. A statement indicating that approval by the agent shall not be deemed conclusion of an insurance policy.
6. Any other details the Authority may require said certificate to include upon recommendation by the Director.

Article (116)

1. Premiums paid to an insurance agent with respect to renewal of an insurance contract upon the will of the relevant company, or an insurance proposal approved thereby, shall be deemed paid to said company.
2. An insurance company shall be deemed fully responsible for actions of agents approved thereby with respect to insurance business, and shall be deemed responsible before the insured for policies issued by said agents.

Article (117)

1. The Authority may revoke a license granted to an agent entirely or with respect to a certain branch of insurance in any of the following cases:
 - a. Should said agent so request.
 - b. Should an order be issued for winding up said agent or appointing a receiver therefor, should said agent decide to wind up voluntarily or should an order be issued to seize properties or declare bankruptcy thereof.
 - c. Should said agent violate any material license condition.
 - d. Should said agent violate provisions of the Law or the agreement concluded between said agent and the relevant company by failing to deposit amounts collected from the insured in a separate account or transfer the same to the insurer by the fifteenth day of the month following the month in which said amounts are collected.
 - e. Should any of the license conditions no longer be met by said agent after granting said license thereto.
2. An agent license may only be revoked upon granting said agent reasonable opportunity to present the defense thereof to the Authority.

3. An agent shall, upon revocation of the license granted thereto, immediately refrain from practicing insurance pursuant to the revocation decision.

Article (118)

Insurance or reinsurance brokers may not practice unless registered in the register prepared therefor at the Authority.

Article (119)

Provisions of articles (123) and (127) of this Law shall apply to the business of insurance brokers in terms of the requirements of registration thereof in the register prepared therefor and renewal and cancellation of said registration.

Article (120)

Insurance companies may not accept local transactions from insurance brokers who are not registered in the register prepared therefor at the Authority; excluding those working in production departments of insurance companies at the time of promulgation of this Law.

Actuaries

Article (121)

1. Actuaries may not practice unless registered in the register prepared therefor at the Authority; subject to the following conditions:
 - a. To hold an academic degree in actuarial science from a university, college or actuaries society, or any certificate approved by the Authority.
 - b. Not to be sentenced for a criminal penalty or a penalty of imprisonment for a crime involving honesty or honor; unless rehabilitated.
 - c. Not to be sentenced to bankruptcy; unless rehabilitated.
 - d. Not to have an impediment to legal capacity.

2. Non-Palestinian actuaries must be licensed to practice abroad in order to be qualified for registration.

Consultant Actuaries

Article (123)

Consultant actuaries may not practice unless registered in the register prepared therefor at the Authority; subject to the following conditions:

1. To hold an academic degree in insurance from a recognized university, or any other certificate approved by the Authority, and to be highly qualified with experience in the insurance business not less than ten years five of which in management.
2. To meet the conditions provided for in clauses (b, c and d) of article (121) of this Law.

Article (124)

Should a consultant actuary be a judicial person, the legal representative thereof shall meet the conditions provided for in article (123) above.

Article (125)

1. Actuaries shall be registered in the relevant register upon approval by the Authority and payment of set fees.
2. Registration shall be cancelled by decision of the Authority should an actuary no longer meet any registration condition, upon request thereof, prove to have provided untrue details required under the provisions of this Law deliberately or due to gross negligence or repeatedly violate technical rules necessary for the work thereof.

Article (126)

An actuary may not be assigned for insurance consultancy before courts, arbitration panels or other bodies unless registered in said register.

Inspection and Damage Assessment Experts

Article (127)

1. Inspection and damage assessment experts may not practice unless registered in the register prepared therefor at the Authority.
2. Registration or renewal applications shall be submitted to the Authority in accordance with conditions set thereby.
3. Registration shall be valid for three renewable years upon payment of due fees.
4. Anyone registered in the inspection and damage assessment experts register shall meet the qualification and experience conditions set by the Authority in addition to clauses (b, c and d) of article (121) of this Law.

Article (128)

Provisions of article (123) of this Law shall apply to inspection and damage assessment experts in terms of conditions pertaining to registration thereof and renewal and cancellation of said registration.

Article (129)

Insurance companies may not use inspection and damage assessment experts other than those registered with the Authority; excluding cases which require special technical expertise.

Insurance Investigators

Article (130)

1. Insurance investigators may not practice unless registered in the register prepared therefor at the Authority.
2. An insurance investigator shall undertake investigation of claims' circumstances and studying causes thereof and extent of injury or damage, and may record statements, access all reports, photograph persons and places anything else related to work thereof, and relevant parties shall undertake to enable said investigator to perform duties thereof.

3. Provisions of articles (123) and (127) of this Law shall apply to work of insurance investigators in terms of conditions pertaining to registration thereof and renewal and cancellation of said registration.

Chapter Fifteen

Palestine Insurance Federation

Article (131)

A federation shall be established under this Law and called (Palestine Insurance Federation) and shall be an independent judicial person.

Article (132)

1. All insurance companies operating in Palestine shall be members in said Federation by law, and shall select from among them an interim board of directors for a term not exceeding one year.
2. Said Federation shall be deemed the legal representative of insurance companies before official departments, third parties and other competent authorities with respect to general insurance matters; within provisions, duties and powers set in the Federation Regulations issued pursuant to this Law.
3. The interim board of directors shall prepare and implement internal bylaws upon approval by the Authority thereof.

Article (133)

The Federation shall undertake regulation of the insurance business; particularly professional conduct of members; protection of professional traditions and ethics and setting minimum voluntary insurance rates in line with international rates thereof.

Article (134)

The federation shall undertake regulation of relationships between members with respect to settlement of joint and recovered compensations and co-insurance, as well as development of mechanisms for settlement of accounts therebetween.

Article (135)

The Federation may, for the purpose of undertaking duties thereof, recommend to the Authority to impose penalties on members who violate Decisions of the Federation or professional conduct, and may also recommend suspension of a member's license for one or more types of insurance.

Article (136)

The Federation shall provide the Authority with a copy of every decision issued by the general assembly of the Federation or board of directors thereof; ratified by the chairman of the Federation; within fifteen days as of the date of issuance thereof.

Chapter Sixteen

Motor Insurance

Article (137)

No one may use, or allow or cause another person to use, a motor vehicle without a valid vehicle insurance policy in accordance with the provisions of this Law.

Article (138)

An insurance policy shall be deemed in compliance with the provisions of this law if issued by an insurer who is licensed by the Authority and covers any bodily damage sustained by the following:

1. Owner or driver of the relevant vehicle with respect to liability thereof toward any person in or outside said vehicle.
2. Owner of the vehicle driving it, or anyone driving the same under permission of said owner, the same as any other injured person.

Article (139)

Validity of insurance policies may not exceed validity of respective vehicle licenses.

Article (140)

Neither the insurer nor the insured may revoke or suspend an insurance policy so long as the relevant vehicle license is valid unless in any of the following two cases:

1. Transfer of vehicle ownership in accordance with the provisions of Traffic Law.
2. Obtaining a certificate from the Licensing Authority stating that said vehicle's license is revoked or suspended.

Article (141)

Insurers may not include any condition restricting use of vehicles in insurance policies with respect to:

1. Age of persons driving a vehicle.
2. State of vehicles, excluding vehicles licenses of which had expired for more than ninety days.
3. Number of passengers carried by private vehicles only.
4. Times and places where vehicles are used.
5. Marking vehicles with distinctive markings other than those required by law.

6. A valid driving license regardless of the date of issuance thereof.

Article (142)

Should the insured or owner of a vehicle sell the same, they shall surrender the original policy and notify the insurer thereof within thirty days as of the date of sale.

Article (143)

1. Should the insured or new owner prove to have violated provisions of article (142) of this law, or should either one thereof sustain bodily damage caused by a road accident involving the relevant vehicle during the period provided for in said article, the insurer shall be relieved from liability to compensation.
2. Injured third parties shall, in all cases, retain rights thereof against the insurer after the lapse of the period provided for in article (142) of this Law.

Chapter Seventeen

Liability for Compensation

Article (144)

1. Anyone using, or allowing others to use, a motor vehicle shall be liable for compensating the injured for any bodily, physical or moral damage caused by a road accident involving said vehicle.
2. Anyone one using, or allowing others to use, a vehicle shall be fully and absolutely liable for compensating the injured; regardless of whether or not and error is committed thereby or the by the insured.

Article (145)

The insurer and insured or fund, as the case may be, shall be liable for compensating the insured who sustains bodily. Physical or moral damage caused by a road accident.

Article (146)

The following provisions shall apply should more than one vehicle be involved in a road accident:

1. Each vehicle driver shall be liable for bodily damages sustained by passengers of the respective vehicles thereof.
2. Drivers shall be jointly liable for compensating every person injured outside any of the vehicles involved in said road accident; and the burden of said compensation shall be equally distributed therebetween.
3. Application of paragraph (2) of this article shall be subject to occurrence of physical contact between said vehicles, or any one thereof, and the injured. Such contact shall be established if said vehicles, or any one thereof, touch said injured.

Article (147)

1. Should a road accident involve one or more heavy vehicles and one or more light vehicles. Insurers of said heavy vehicles shall pay insurers of said light vehicles (50%) fifty percent of compensation for bodily damages caused by said accident.
2. Insurers of heavy vehicles shall be jointly liable toward insurers of light vehicles, and shall equally bear the burden of said liability.

Article (148)

The driver or owner of a vehicle, anyone allowing the use thereof, or the injured or heirs thereof; shall notify the insurer or fund, as the case may be, of road accidents within thirty days as of that date of occurrence thereof or the date said parties are able to do so.

Article (149)

An injured person shall not be entitled to compensation in any of the following cases:

1. Anyone deliberately causing a road accident.
2. Anyone driving, or using, a vehicle for committing a crime or misdemeanor.
3. Anyone driving a vehicle without valid insurance at the time of accident, or violating policy conditions.
4. Anyone driving a vehicle without permission of the owner or the person legally authorized to dispose thereof, and anyone who is aware of so.
5. Anyone driving a vehicle without a driving license, with one that does not entitle them to drive said type of vehicles, with a license which had expired more than one year or during periods of prohibition from driving by virtue of a decision issued by a legally competent authority.
6. Owner or the person legally authorized to dispose of a vehicle who allows another person to drive the same without valid insurance or with insurance that does not cover the road accident in which either one thereof is injured; whether in or outside said vehicle.
7. Notwithstanding the provision of paragraph (6) of this article, should a driver be injured in a road accident while driving a vehicle with permission of the owner or the person legally authorized to dispose thereof, without valid insurance or with insurance that does not cover said accident; without knowing or possibly being able to know so, said driver shall be entitled claim compensation from the fund the same as any other injured person.

Article (150)

Should a road accident result in death of a driver who is not entitled to compensation under this Law, dependant heirs thereof shall be entitled to claim compensation from the fund in accordance with the provisions of this Law.

Chapter Eighteen

Compensatable Damages

Article (151)

An injured person may initiate legal action against both the insurer and the insured, or only the insurer or the fund; to claim compensation for bodily, physical or moral damages sustained thereby as a result of an accident.

Compensation for Moral Damage

Article (152)

Compensation for moral damages caused by road accidents shall be as follows:

1. Fifty Dinars for every (1%) of permanent disability.
2. Forty Dinars for every night the injured spends in a hospital or any other medical institution for treatment from damages caused by a road accident.
3. Five hundred Dinars for surgery or surgeries carried out on the injured as a result of a road accident requiring hospitalization.
4. Should a n injured person not be entitled to compensation under paragraphs (1, 2 and 3) of this article, said person shall be entitled to compensation not exceeding five hundred Jordanian Dinars or the equivalent thereof in the legal currency of the country.

Article (153)

Total compensation for moral damages may not exceed ten thousand Jordanian Dinars or the equivalent thereof in the legal currency of the country.

Article (154)

Should an accident result in death of the injured, heirs thereof shall be paid an amount equal to (50%) of the maximum limit set forth in article (153) of this Law minus the share of dependant heirs pursuant to the limitation of succession document of the deceased.

Compensation for Physical damage

Article (155)

In calculation of compensation for loss of earning and earning capacity, any income exceeding double the average wage in the economic field of the injured, as stated in the latest publication issued by the Palestinian Central Bureau of Statistics, shall be disregarded.

Article (156)

Should a road accident render an injured person unable to work, said person shall be entitled to (100%) one hundred percent of the daily wages thereof throughout the period of temporary disability thereof; provided that said period does not exceed two years as of the date of said accident.

Article (157)

In calculation of compensation for loss of prospective earning capacity, lump sum compensations shall be subject to deduction.

Article (158)

1. Should an injured person be a minor, the court shall decide to deposit the awarded amount with a bank in the name of said person until they become of age.
2. The court may, upon request of the legal representative of said minor, decide to grant said representative the right to dispense a monthly amount to provide for said injured person until they become of age; should the condition thereof so require.

Article (159)

Legal action for claiming compensation for damages caused by roads accidents shall lapse by prescription if not initiated within three years as of the date of the relevant accident or, should said period exceed said three years, the date a final medical report is obtained.

Chapter Nineteen

Urgent Payment

Article (160)

The person liable for compensation under the provisions of this Law shall pay the injured an urgent payment, within thirty days as of the date of being notified thereof by the claimant, covering the following:

1. Necessary expenses incurred by the injured for treatment for damages caused by the accident; including hospitalization, treatment and nursing expenses relating to said accident.
2. Monthly payments covering living costs of the injured and dependent members of the family thereof, as well as necessary treatment and nursing expenses arising from said accident.
3. In determining said monthly payment, consideration shall be given to the injured person's income for the last three months prior to the accident. Income exceeding double the average wage provided for in article (155) shall be disregarded.

Article (161)

Should the party liable for compensation fail to make the urgent payment within the thirty days period set forth in the previous article, the claimant may apply to the magistrate of summary justice or the competent court to consider the case.

Article (162)

The judge shall schedule a session to hear the case within one week as of the date of application; allowing the respondent fifteen days as of the date of notification thereof of the pleading to present the counter statement thereof.

Article (163)

Hearing said claims shall be subject to the notification rules provided for in the Law of Civil and Commercial Procedures.

Article (164)

1. A claimant shall appear before the judge to discuss the claim thereof.
2. The judge shall hear the opening statement on liability for compensation.
3. Should the judge be satisfied that the claimant is entitled to compensation pursuant to the provisions of this Law, said judge shall issue the decision thereof in the same session; unless deemed necessary thereby to reschedule in order to call another person for discussion or to present any additional evidence with respect to a certain matter.
4. Should the judge decide to approve the claim, said judge shall set a later date for the claimant to present the original pleading thereof before the competent court.

Article (165)

Total monthly payments may not exceed twelve payments as of the date of the decision

Article (166)

Monthly payments shall be suspended should the claimant fail to present the original pleading thereof within the period set therefor under paragraph (4) of article (164) of this Law, or should said pleading be cancelled after submission thereof.

Article (167)

1. Requests for additional urgent payments or amendment of the previous decision shall only be approved upon lapse of six months as of the date of said previous decision, or change of circumstances in such way that justifies issuance of a new decision.

2. Any application for a new decision amending the previous one shall be submitted to the judge who determined the previous application or the court considering the original case.

Article (168)

1. A decision on urgent payment requests shall be expeditiously self-executing and appealable within seven days as of the date of issuance thereof.
2. Decisions issued by the Court of Appeal shall be final and incontestable.
3. All amounts paid to the claimant shall be deemed part of total compensation due to the injured upon establishment of liability.

Article (169)

Should total urgent payments made to the claimant exceed the amount awarded thereto in the original case, or should the court decide to dismiss the case by virtue of a final judgment, the respondent who has paid said urgent payments may recourse to the claimant, the party liable for damages or the fund.

Chapter Twenty

Palestinian Road Accident Victims Compensation Fund (PRAVCF)

Article (170)

A fund shall be established under the provisions of this Law and called (the Palestinian Road Accident Victims Compensation Fund) and shall be an independent judicial person.

Article (171)

Said Fund shall be managed by a board of directors comprising the following members:

1. The Undersecretary of the Ministry of Finance as chairman.
2. The Insurance Director.

3. The Director of the Palestinian Road Accident Victims Compensation Fund.
4. A representative of Palestine Insurance Federation appointed by the board of directors thereof.
5. An actuary appointed by the Authority.

Article (172)

1. Financial resources of the Fund shall consist of a percentage of mandatory insurance fees; set by the Authority for every policy.
2. Insurance companies shall undertake to transfer the percentage set forth in paragraph (1) of this article to the Fund on dates set by the Authority; otherwise, the Authority shall have the power to impose a default fine thereon which shall be charged to the Fund's resources.

Article (173)

Excluding the driver, the Fund shall compensate the injured who are entitled to compensation under the provisions of this Law and are unable to claim compensation from the insurer for any of the following reasons:

1. Should the relevant accident be caused by an anonymous driver.
2. Should the driver not have insurance pursuant to the provisions of this Law.
3. Should the insurer be in liquidation.
4. Should the driver have insurance that does not cover the accident subject to claim due to:
 - a. Using the vehicle for purposes contrary to those stated in the license thereof.
 - b. Driving said vehicle without a driving license or with a license that does not entitle said driver to drive this type of vehicles.
 - c. Should the insured fail to pay the premium on agreed upon due date.
 - d. Should the insured commit fraud or deception or withhold material facts at the time of obtaining the relevant policy.
 - e. Any other case in which the relevant policy does not cover liability for compensation under the provisions of this Law.

Article (174)

Any injured person shall, in cases provided for in article (173) of this Law, be entitled to receive compensation from the Fund in the same way said person should have been entitled to receive compensation from the insurer; including hospitalization expenses and urgent payments.

Article (175)

1. The Fund may recourse to any of the following fro amounts paid thereby due to accidents:
 - a. Anyone who is not entitled to compensation under the provisions of article (149) of this Law.
 - b. Anyone who does not have a valid insurance at the time of the relevant accident; excluding those who have annual insurance that had expired within thirty days prior to the date of said accident.
 - c. Anyone who have insurance that does not cover the relevant accident pursuant to cases set forth in paragraph (4) of article (173).
 - d. The owner or the person legally authorized to dispose of the relevant vehicle.
2. Right of recourse, whether with respect to the Fund or between parties involved in accidents, shall be subject to civil liability provisions.
3. The Fund shall be exempted from payment of legal fees.

Article (176)

The Fund shall be deemed a preferred creditor in liquidation with respect to amounts paid thereby due to accidents.

Article (177)

Should the Fund be unable to fulfill obligations thereof toward the injured, the Ministry of Finance shall undertake to cover such deficit from the treasury.

Chapter Twenty One

Penalties

Article (178)

1. Any company practicing insurance without license, during license suspension periods, after revocation of or issuance of a decision of refusal to renew the license thereof; shall be punished by a fine not less than three thousand Jordanian Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding ten thousand Jordanian Dinars or the equivalent thereof in the legal currency of the country; and the general manager or branch manager thereof, as the case may be, shall be punished by said fine and imprisonment for a period not exceeding two years, or both penalties. In case of recidivism, the penalty shall be aggravated by no more than double the maximum limit thereof.
2. Contracts issued by companies in accordance with paragraph (1) of this article shall be deemed effective against the company and third parties acting in good faith, and the company shall undertake to compensate the insured acting in good faith for all losses incurred thereby due to illegality of contracts.

Article (179)

1. Anyone who issues insurance contracts contrary to the provisions of this Law shall be punished by imprisonment for a period not less than one month and not exceeding six months or a fine not less than three thousand Jordanian Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding seven thousand Jordanian Dinars, or the equivalent thereof in the legal currency of the country, or both penalties.
2. Anyone who practices insurance agency or brokerage without obtaining a legal license shall be punished by imprisonment for a period not less than one month and not exceeding three months or a fine not less than five hundred Jordanian Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding two thousand Jordanian Dinars, or the equivalent thereof in the legal currency of the Country, or both penalties.

3. Insurance contracts issued in accordance with paragraphs (1) and (2) of this article shall be deemed effective against the persons issuing the same and third parties acting in good faith, and the person issuing such contracts shall undertake to compensate the insured acting in good faith for all losses incurred thereby due to illegality of contracts.

Article (180)

1. Any company which violates provisions of this Law and regulations, instructions and directives relating to commissions, shall be punished by a fine not less than three thousand Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding seven thousand Dinars, or the equivalent thereof in the legal currency of the country.
2. Any insurance agent or broker who violates provisions of this Law or regulations, instructions and directives relating to commissions, shall be punished by a fine not less than five hundred Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding three thousand Dinars or the equivalent thereof in the legal currency of the country.

Article (181)

Anyone who hinders or prevents the Insurance Director, or any employee of the Authority, from carrying out duties thereof in implementation of this Law, interferes with the intention to deny said persons access to information required for carrying out duties thereof or abstains from providing the same with such information; shall be punished by imprisonment for a period not exceeding three months or a fine not less than five thousand Dinars, or the equivalent thereof in the legal currency of the country, and not exceeding ten thousand Dinars, or the equivalent thereof in the legal currency of the country, or both penalties.

Article (182)

With respect to anything not provided for in special provisions, anyone who violates provisions of this Law or bylaws, instructions or decisions issued pursuant thereto, shall be punished by a fine not exceeding fifteen thousand Dinars.

Chapter Twenty Two
Final and Interim Provisions

Article (183)

1. Insurance on movable and immovable assets in Palestine, or movable assets brought therein, with insurance companies outside Palestine shall be prohibited.
2. Insurers may reinsure both in and outside Palestine.

Article (184)

The Authority may propose a draft law for imposition of mandatory insurance against certain risks.

Article (185)

The Director shall provide the Authority, within six months as of the date this Law comes into force, draft bylaws relating to conditions and requirements for granting life and non-life insurance licenses, as well as other draft bylaws required to be issued to implement this Law.

Article (186)

All instructions, decision, directives and notices issued by the Authority or the Insurance Director shall be notified to the relevant person on the designated address thereof in Palestine by means of recorded delivery or express mail, fax, personal delivery for a receipt or any other means of notification in force under the Law. Instructions, decisions, directives and notices shall be deemed delivered seven days as of the date of depositing the relevant letter in the post or sending the relevant fax or telex.

Article (187)

All decisions, instructions and directives issued by the Authority or the Director in accordance with the provisions of this Law shall be published in the Official Gazette.

Article (188)

1. With respect to persons working in the insurance sector prior the enforcement of this Law, licenses issued thereto shall, if valid, remain effective, and shall be renewed under the same conditions implemented at the time of issuance thereof; for a period not exceeding one year as of the date this Law comes into force.
2. Persons provided for in paragraph (1) above shall correct statuses thereof in accordance with conditions and requirements of this Law within the original or additional periods set in said paragraph.

Article (189)

The Council of Ministers shall issue the necessary implementing regulations for this Law.

Article (190)

1. All directives and provisions issued by occupation forces with respect to insurance shall be deemed null and void.
2. Anything to the contrary of the provisions of this Law shall be deemed null and void.

Article (191)

Competent authorities shall, each as per jurisdictions thereof, implement the provisions of this law. This Law shall come into force thirty days as of the date of publication thereof in the Official Gazette.

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Corresponding to Ramadan 10, 1426 H

Mahmood Abbas

**Chairman of the Executive Committee of the Palestine Liberation
Organization**

President of the Palestinian National Authority